

powers which inter alia include the power to call for information or for production of account books including bank pass books in connection with any enquiry relating to assessment of income of any person. The said provisions of the Income-tax Act are not violative of the Constitution.

Expansion of Private Sector Banks

1603. SHRI RAM SAGAR (Saidpur):
SHRI VASANT SATHE:

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to permit bank employees to acquire an equity stake in banks, if so, the details thereof and Government's response thereto;

(b) whether the Government propose to substantially relax restrictions on the expansion of private sector banks;

(c) the number of applications from private sector banks pending with the Reserve Bank of India for permission to open more branches;

(d) the period since when these applications are pending, application-wise; and

(e) the steps taken to sanction these applications at the earliest?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):
(a) In so far as banks in the private sector are concerned, there is no prohibition on the employees of the banks contributing towards the equity of the share capital of the concerned banks. As regards the public sector banks, no such proposal permitting the employees to contribute to the capital fund of these banks is under consideration of the

Government.

(b) to (e). Keeping in view the growth of the banking business in the country, the Reserve Bank of India (RBI) have been permitting opening of bank branches on the basis of business potential and financial viability of the proposed branches.

Under the branch licensing policy for the year 1985-90, allotment of centres was made by the RBI generally on the basis of list of centres identified by the lead bank groups and finalised by the State Governments and not on the basis of applications from concerned banks. The RBI has recently issued guidelines for future branch expansion to all Indian commercial banks including private sector banks. Under the new policy, permission to open branches in rural/semi urban areas is proposed to be given the RBI on the basis of individual applications submitted by the banks by the end of 31st December, 1990. These applications would be considered by the RBI on a consolidated basis as per its policy. As regards urban and metropolitan centres, RBI has set up working groups for identification of unbanked/underbanked centres. Allotment of new centres will be made by the RBI as per its norms in due course.

Director Tax collection

1604. SHRI RAM SAGAR (Saidpur):
Will the Minister of FINANCE be pleased to state:

(a) whether direct tax collections during April-October, 1990 has been lower than the collections made in the same period in 1989;

(b) if so, the reasons therefor;

(c) the amount of direct tax collected between November, 1990 till date and how the same compares with the collections in the same period last year; and

(d) the steps taken to speed up collection of direct taxes?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):

(a) Yes, Sir.

(b) The main reasons for lower collections this year are the issue of more refunds, Nil payment of advance tax by Oil and Natural Gas Commission and the disturbed conditions in several parts of the country.

(c) During the month of November, 90, net collection of direct taxes was Rs. 515.54 crores as against Rs. 325.00 crores during November, 1989. Figures for December, 90, have not yet been compiled.

(d) Several legislative and administrative steps have been taken to increase, and speed up collection of direct taxes. The rate of surcharge payable by domestic companies has been increased from 8% to 15%. It has also been proposed to increase the rate of surcharge in the case of income tax payers from 8% to 12%. It has further been proposed to restrict the deduction for depreciation in the current accounting year to 75% of what would otherwise be available. Instructions have been issued to the Chief Commissioners for early finalisation of assessments & disposal of appeals in bigger cases. They have also been asked to accord top most priority to the work of budget collection in the remaining part of the financial year.

Gold Mining

1605. SHRI PRAKASH KOKO BRAHMBHATT: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether some foreign companies have been engaged for gold mining work in India; and

(b) if so, the names of these companies and the terms and conditions on which they have been awarded the work?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI BASAVARAJ PATIL): (a) No, Sir.

(d) Does not arise.

Separate Cadre of Rural Development Officers for Commercial Banks

1606. SHRI PRAKASH KOKO BRAHMBHATT: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has suggested that a separate cadre of rural development officers be formed for commercial banks;

(b) if so, the details thereof; and

(c) the time by which final decision is likely to be taken in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (c). The Reserve Bank of India (RBI) has suggested in February, 1990 to the Indian Banks Association to examine a proposal for a cadre of Rural Development Officer in Banks. The proposal was examined by a Committee constituted by the Indian Banks Association which did not favour the same and they have informed RBI accordingly.

Exports to USSR

1607. SHRI INDRAJIT GUPTA: Will the Minister of COMMERCE be pleased to state:

(a) whether there is a proposal to raise